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Barnes-Phariss Associates 444 South State St. Suite 305 Salt Lake City, UT 84111

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July 27, 1983

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Mr. James W. Smith, Jr. Coordinator of Mined Land Development Department of Oil, Gas & Mining 4241 State Office Building Salt Lake City, UT 84114



DIVISION OF OIL GAS & MINING

Dear Sir:

We are writing to further define Western Strategic Minerals, Inc.'s (WSM) plan of operation for 1983. Due to the favorable results of WSM's sampling program, they are now planning to mine 5 - 7000 tons of ore in 1983 from their Thomas Caldera project. The bulk of this ore will be shipped to custom mills for bulk metallurgical testing, with the remainder being treated in a pilot heap leach onsite.

This increased activity is expected to use less than two acres. Therefore their Declaration of Exemption is still in effect. They are aware that if the two acre limitation is exceeded, a Notice of Intent to Commence Mining Operations and a Mining and Reclamation Plan must be filed. If the metallurgical testing proves successful, WSM plans to submit these documents.

In the meantime, your staff members and/or yourself are welcome to visit the operation. If you have any questions, feel free to call.

Respectfully yours,

BARNES-PHARISS ASSOCIATES

John G. Treganowski

John J. Trepanowski Project Mining Engineer

JJT/dkm